

STATE CONTROLLER'S OFFICE
PERSONNEL AND PAYROLL SERVICES DIVISION
P.O. BOX 942850
SACRAMENTO, CA 94250-5878

DATE: May 31, 2017

PAYROLL LETTER #17-007
(CIVIL SERVICE ONLY)

TO: All Agencies in the Uniform State Payroll System

FROM: Debra Spellman, Chief
Personnel and Payroll Services Division (PPSD)

RE: 2017 EXCLUDED EMPLOYEE LEAVE BUY-BACK PROGRAM ENHANCEMENT

This Payroll Letter provides information on how to process payments for the 2017 Excluded Employee Leave Buy-Back Program Enhancement. For details of this program, please reference [CalHR's Human Resources Manual Section 2104](#).

Departments electing to participate must submit requests beginning June 01, 2017 and no later than June 27, 2017. Per CalHR, leave transfer amounts must be charged to the fiscal year 2016-2017 and issue dated by June 28, 2017.

The computed gross amount is based on the employee's hourly salary rate multiplied by the number of buy-back hours.

For employees that receive pay differentials each pay differential should be reviewed. If the pay differential indicates "yes" to "lump sum vacation" or "lump sum extra" the pay differential amount shall be included when calculating the eligible employee's hourly salary rate for purposes of the buy-back.

Refer to [CalHR's website](#) for pay differential information. If the employee participates in the Voluntary Personal Leave Program (VPLP), the VPLP amount must be included when calculating the hourly rate for purposes of the buy-back.

TAXES

The computed gross amounts are subject to federal and state income tax withholdings, Social Security, State Disability Insurance, and Medicare tax withholdings where applicable. The computed gross amounts are NOT subject to retirement. The tax rates are as follows:

25% Federal Tax (flat rate)
6.6% State Tax (flat rate)
6.2% Social Security (if applicable)
0.9% State Disability Insurance (if applicable)
1.45% Medicare (if applicable) **OR**
2.35% Medicare for wages over \$200,000 (if applicable)

PROCESSING LEAVE HOURS FOR TRANSFER TO SAVINGS PLUS

Submit all requests via the Payroll Input Process (PIP) System. Use form STD. 671, Miscellaneous Payroll/Leave Actions to document the information to enter into the PIP System and keep forms for department records. Please refer below for form STD. 671 completion instructions.

Use the following Earnings IDs to request leave hours to transfer to Savings Plus. These Earnings IDs will not automatically update CLAS.

<u>PAYMENT REQUEST</u>	<u>EARNINGS ID</u>
Vacation Annual Leave transfer to 401(k)	9LV1
Vacation Annual Leave transfer to 457(b)	9LV2
Vacation Annual Leave transfer to 401(k) Roth	9LV3
Vacation Annual Leave transfer to 457(b) Roth	9LV4

Before keying via PIP, complete form STD. 671, items 1 through 3, 15 through 17, and 19 through 21 as follows:

<u>ITEM NUMBER(S)</u>	<u>ITEM NAME</u>	<u>ACTION</u>
1 through 3	Pay Period	Complete
15	Earnings ID	Complete
16	Days	Blank
17	Hrs/Hdths	Blank
19	Hourly Rate	Blank
20	WWG/FLSA	Blank
21	Computed Gross	Complete

FORM STD. 674 PAYMENT REQUESTS

If an employee is off pay status during June 2017, pay must be requested via form STD. 674. Refer to Payroll Procedures Manual (PPM) Section G 105 for form STD. 674 completion instructions.

CALIFORNIA LEAVE ACCOUNTING SYSTEM (CLAS) USERS

Reference [Leave Accounting Letters](#) 17-001, 17-003, and 17-004 to update CLAS leave records.

Note: The leave transfer will not reflect hours paid. The leave transfer will reflect as a payment with the net amount that will be transferred to Saving Plus on the payroll outputs [i.e., warrant register, Payroll On-Line Information System (POIS)].

The employee’s earnings statement will reflect a zero net (\$0.00) with the deduction description for the Saving Plus account.

Below is an example of the Payment Detail screen and Earnings Statement.

-PAYMENT DETAIL-										PAGE 001 OF 002	
NNN-NN-NNNN XX XXXXXXXX		525-183-1897-069				01	CBID- R04S				
PAY PERIOD	A/R OR WARRANT#	DATE MODYR	ORIGIS MODYR	CLEAR NO.	LS/PP	TIME PAID DY HR/UNT	GROSS	NET	SUSP CODE		
0-11-15	07241481	060216		10890			999.99	704.83			
C R P P A S G S	W W G -	O T R S	S A L A R Y	T I M E	S A L A R Y	T R A N S	B A T C H / P S D	F I L E #	M		
T L T S C D T P	F L S A	C D G T	T O T A L	B A S E	F U L L				C		
1 0 9 L 0 1		0	.00		.00	676	JW0U1				
<<-----RETIREMENT----->>				<<-----FEDERAL TAX----->>				MISC			
SUBJ	W/H	ST-SHR	ID / RATE	GROSS	W/H	FD EX	GROSS				
.00	.00	.00	NO .00000	999.99	149.79	S 01	.00				
<<-----SOCIAL SECURITY----->>				<<-----STATE TAX----->>				ERNS			
EE GROSS	EE W/H	ER GROSS	ER W/H	GROSS	W/H	CA EX EXT	ID				
999.99	62.00	999.99	62.00	999.99	59.87	S 01 00	1- 9LV3				
<<-----MEDICARE----->>				<<-----SDI----->>				3-			
EE GROSS	EE W/H	ER GROSS	ER W/H	GROSS	W/H	ER W/H					
999.99	14.50	999.99	14.50	999.99	9.00	.00	BF				

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X X XXXXXXXX          525-183
X X XXXXXXXX          SOC SEC NO nnn-nn-nnnn
AGY/UNIT 525-183    PAY PERIOD 06/16    DIRECT DEP # 07-241481
TAX YEAR 16        ISSUE DATE 06/02/16  BANK TRANSIT nnnnnnnnnn
TAX STATUS FED S-01 STATE S-01 BANK ACCT nnnnnnnnnnnnnn-nnn
                999.00                999.00                999.00                *****
AL/VAC - SPP          999.00 FEDERAL TAX    149.79
                        STATE TAX        59.87
                        SOC SEC         62.00
                        MEDICARE        14.50
                        ROTH 401        713.83
SOC SEC              MEDICARE
62.00                14.50

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Please direct questions regarding leave buy-back payments to the Customer Contact Center at (916) 372-7200. Questions regarding CLAS should be directed to the CLAS Liaison at (916) 327-0756.

DS:AB:SACS